

Press Release

Neerus Ensembles Private Limited

March 10, 2023



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	51.00	ACUITE BB- Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	51.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 51.00 crore bank facilities of Neeru's Ensembles Private Limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Hyderabad based, Neerus Ensembles Private Limited, was incorporated in 2005. At present, the Directors of the company are Ms. Neeru Kumar and Mr. Avnish Kumar. The company is engaged in manufacturing and around 15-20 percent of total revenue and also trading of apparels for kids, ladies and gents. The manufacturing unit of the company is located in Hyderabad, Mumbai and Delhi. The balance is from trading, where the company does the work of designing the apparels. Recently, the company has started the accessories department, which contributes to about 1 per cent of the total revenue. Neerus Ensembles Private Limited procures raw materials from China and the rest is procured from the domestic market, including Mumbai, Delhi, Kolkata, Chennai, and other places. The key raw materials required are cotton, polyester and viscose. The company has 52 showrooms across 25 cities in 2 countries, i.e., India and Dubai.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions enders and investors regarding the use of such information, on which the indicative credit ratings is based.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	138.63	92.38
PAT	Rs. Cr.	(6.25)	(27.13)
PAT Margin	(%)	(4.51)	(29.37)
Total Debt/Tangible Net Worth	Times	33.17	15.34
PBDIT/Interest	Times	1.01	(0.58)

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Dec 2021	Proposed Long Term Loan	Long Term	0.10	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Working Capital Term Loan	Long Term	10.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	16.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	11.90	ACUITE BB- (Downgraded and Issuer not co-operating*)
11 Sep 2020	Cash Credit	Long Term	11.90	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Working Capital Term Loan	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.10	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	16.00	ACUITE BB (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
ICICI Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	11.90	ACUITE BB- Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	13.00	ACUITE BB- Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	16.00	ACUITE BB- Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.10	ACUITE BB- Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	10.00	ACUITE BB- Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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